

Message Text

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63

ACTION ARA-10

INFO OCT-01 AF-06 EUR-12 EA-10 NEA-09 ISO-00 FEA-01

ERDA-07 AID-05 CEA-01 CIAE-00 CIEP-02 COME-00 DODE-00

EB-07 FPC-01 H-02 INR-07 INT-05 L-02 NSAE-00 NSC-05

OMB-01 PM-03 SAM-01 OES-05 SP-02 SS-15 STR-04 TRSE-00

FRB-01 PA-02 PRS-01 USIA-15 /143 W

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R 112107Z MAR 75

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 7952

INFO AMEMBASSY BEIRUT

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LONDON

AMEMBASSY PORT OF SPAIN

AMEMBASSY QUITO

AMEMBASSY TEHRAN

AMEMBASSY TRIPOLI

AMEMBASSY VIENNA

AMCONSUL DHAHRAN

USMISSION OECD PARIS

UNCLAS CARACAS 2748

E.O. 11652: N/A

TAGS: ENRG, VEN

SUBJECT: CURRENT AND JANUARY 1975 VENEZUELAN OIL PRODUCTION

BUDGET BELT TIGHTENING AHEAD?

REF: A) CARACAS 1952; B) CARACAS 569

1. AVERAGE DAILY OIL PRODUCTION FOR 1975 THROUGH FEBRUARY

19 WAS 2,679,272 BBLS. THIS WAS 18.05 PERCENT, OR

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590,000 BBLS, LESS THAN SAME 1974 PERIOD.

2. PRODUCTION FOR JANUARY 1975 AVERAGED 2,739,018 B/D,
OR 92,000 B/D PLUS LESS THAN PREVIOUS MONTH.

3. SHORTLY BEFORE DEPARTING FOR VIENNA OPEC MEETING WHICH WAS
HELD FEBRUARY 25-27, MINISTER OF MINES AND HYDROCARBONS
VALENTIN HERNANDEZ REPEATED HIS EARLIER STATEMENT THAT VENEZUELAN
OIL PRODUCTON COULD DROP TO AN AVERAGE 2.4 MILLION B/D DURING
1975. HE THEN ADDED, THAT ACCORDING TO MINISTRY OF FINANCE
ESTIMATES, THE VENEZUELAN 1975 BUDGET FOR CURRENT EXPENSES
AND INVESTMENT COULD BE SUPPORTED WITH AN AVERAGE PRODUCTION
LEVEL OF 1.7 MILLION B/D. REVENUE FROM PRODUCTION IN EXCESS
OF THIS LEVEL, WHICH IN JANUARY 1975 WAS ONE MILLION B/D,
GOES INTO THE INVESTMENT FUND, AND THUS NOT REQUIRED IMMEDIA-
TELY.

4. FROM ABOVE STATEMENT, IT APPEARS THAT HERNANDEZ WAS INDICATING
THAT THE INVESTMENT FUND WILL BE THE FIRST TO FEEL THE
EFFECT OF REDUCED PRODUCTION, AND THAT THE GOV CONSIDERS
ITS REGULAR BUDGET IS CUSHIONED BY ANY PRODUCTION IN EXCESS
OF 1.7 MILLION B/D.

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Message Attributes

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Draft Date: 11 MAR 1975
Decaption Date: 01 JAN 1960
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Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Review Markings:

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